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EXAMINER

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**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Application Number: 10/829,119  
Filing Date: April 20, 2004  
Appellant(s): FRASER ET AL.

\_\_\_\_\_  
Glen R. Farbanish (Reg. No. 50,561)  
For Appellant

**EXAMINER'S ANSWER**

This is in response to the appeal brief filed 7/21/09 appealing from the  
Office action mailed 6/18/08.

**(1) Real Party in Interest**

A statement identifying by name the real party in interest is contained in the brief.

**(2) Related Appeals and Interferences**

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

**(3) Status of Claims**

The statement of the status of claims contained in the brief is correct.

**(4) Status of Amendments After Final**

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

**(5) Summary of Claimed Subject Matter**

The summary of claimed subject matter contained in the brief is correct.

**(6) Grounds of Rejection to be Reviewed on Appeal**

The appellant's statement of the grounds of rejection to be reviewed on appeal is substantially correct. The changes are as follows: The list of dependent claims rejected as unpatentable over Wiseman in view of Menzl in view of Bay should also include claims 50, 56, 62 and 71. These claims are listed as under appeal on page 7 of the appeal brief.

**(7) Claims Appendix**

The copy of the appealed claims contained in the Appendix to the brief is correct.

**(8) Evidence Relied Upon**

The following evidence is relied upon.

US Patent 5,168,446 filed 5/23/89 by Wiseman

US Patent 5,347,452 filed 7/12/1991 by Bay

“Czech Republic – Environmental Protection Equipment,” 7/13/95 by

Vojtech Menzl,

Official Notice as evidenced by Fraser and Wiseman- Claim 47.

**(9) Grounds of Rejection**

The following ground(s) of rejection are applicable to the appealed claims.

These grounds were presented in the final action of 6/18/08.

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

**Claims 38, 41, 45, 46, 52, 57-59, 64, 67, 68, and 73 are rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent 5168446 filed 5/23/89 by Wiseman, in view of a market report by Vojtech Menzl dated 7/13/95 from the National Trade Data Bank titled “Czech Republic – Environmental Protection Equipment.**

As to claims 38, 58 and 67, Wiseman teaches in Fig 3 an apparatus comprising at least one computing device having control logic associated therewith. Wiseman teaches in claim 1 receiving from a first participant an order for an item. Wiseman teaches in Fig 5 and col 14 lines 40-45 making the order available to at least a second participant such that the second participant has the ability to trade against the order. Wiseman teaches in col 19 lines 35-55 receiving from the first participant a command to cancel the order.

Wiseman does not explicitly address making the order available during at least the predetermined period of time. Menzl teaches in section 5.4.1, a time period during which bidders are bound with their offers. A person of ordinary skill in the art would understand this to mean that if their offer is accepted during this time, they must honor it. It is suggested that accepting the offer to make a deal is possible during this time and that it is not possible for the bidder to cancel during this time. It would have been obvious to a person of ordinary skill in the art at the time of the invention to modify Wiseman to add making the order available during at least the predetermined period of time such that the second participant has the ability to trade against the order for at least the period of time in order to ensure that the second participant has an adequate chance to decide and prepare an acceptance. By using a predetermined period of time, all parties will know when a cancel is allowed and can act accordingly.

Wiseman teaches in col 19 lines 35-55 a period of time during which a cancel command is inoperative. In this case, the period of time is from the beginning of the proposal state until the proposal is changed. While the length of

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the period is not given as a number of time units, the period is still predetermined in that it is specifically planned beforehand and specified as bounded by events, rather than a timer. When a period of time is bounded by events, and the terminating event is determined to have occurred, it is suggested that the period is determined to have terminated. Further, as Wiseman teaches that a command to cancel is handled differently during this period, it is suggested to determine whether the command to cancel was received during or after the period in order to handle it correctly. It would have been obvious to a person of ordinary skill in the art at the time of the invention to interpret Wiseman to add determining that the command to cancel is received during or after the predetermined period of time.

Wiseman teaches in col 19 lines 35-55 cancelling an order with a cancel command except during a period of time. Thus Wiseman teaches cancelling the order based at least in part on determining that the command to cancel is received after the predetermined period of time, and not cancelling the order based at least in part on determining that the command to cancel is received during the predetermined period of time.

The examiner wishes to note that not canceling an order is elimination of a function. Elimination of an element or its functions is deemed to be obvious in light of prior art teachings of at least the recited element or its functions (see *In re Karlson*, 136 USPQ 184, 186; 311 F2d 581 (CCPA 1963)).

As to claim 41 and 57, Wiseman teaches the item traded is currency or a first and second type of currency (currency pairs) in col 8 lines 60-70.

As to claims 45, 59 and 68, Wiseman teaches (col 19 lines 35-55) receiving from the second participant the trading command; and receiving the command to cancel prior to receiving the trading command.

As to claim 46, Wiseman teaches in col 3 lines 23-55 a quote that can be to buy or sell. In the abstract, Wiseman teaches a proposal following the quote that inherently could be either to buy or sell. Thus Wiseman teaches an order comprised of at least one of a bid, and an offer; and in which the trading command comprises at least one of: a hit of the bid, and a lift of the offer.

As to claim 52, 64 and 73, Wiseman teaches a second order for a second item in col 23 lines 20-35. Thus Wiseman teaches receiving a second order for a second item; and determining a second period of time.

**Claims 50-51, 53-54, 56, 62-63, 65, 66, 71-72, 74 and 75 are rejected under 35 U.S.C. 103(a) as being unpatentable over Wiseman and Menzl in view of US patent No. 5347452 filed 7/12/91 by Bay.** Bay discusses the timing of trading operations, and would be relevant to the problem of how to determine a period of time within a trading operation.

As to claim 50, 51, 53, 56, 62, 63, 65, 71, 72 and 74 Wiseman does not explicitly teach determining a period of time based on an item, a type of item or a parameter. Bay teaches in col 2 lines 1-20 a period of time based on the item, and based on a parameter. Since a period of time based on an item is not based

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on an individual item (in a commodities trade) it must be based on characteristics of the item, and thus the period would be the same for items that shared those characteristics. A period of time based on a type of item is inherent in Bay. It would have been obvious to a person of ordinary skill in the art at the time of the invention to modify Wiseman to include determining a period of time based on the item, a type of item or a parameter in order to reflect the nature of each market. Wiseman teaches a second order for a second item in col 23 lines 20-35.

As to claim 54, 66 and 75, Wiseman teaches a period of time between the beginning of a proposal state and a change in a proposal. It would have been obvious to a person of ordinary skill in the art at the time of the invention that this period would implicitly vary. Thus Wiseman teaches a period of time for the item is different from the second period of time for the second item.

**Claim 47 is rejected under 35 U.S.C. 103(a) as being unpatentable over Wiseman and Menzl in view of Official Notice- as evidenced by Fraser and Wiseman.**

As to claim 47, Official notice is taken that it is old and well-known to receive on a passive side of a market the order for the item; and in which the trading command comprises at least one of a command to trade all of the passive side of the market, a hit command to trade down to a first price, and a lift command to trade up to a second price. The Official Notice is supported by Wiseman in col 3 line 55 to col 4 line 10 teaching trading negotiations that would include a hit command to trade down to a first price and a lift command to trade



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up to a second price, and by US Patent 5905974 filed 12/13/96 by Fraser et al.

Fraser teaches in col 12 lines 30-50.

It would have been obvious to a person of ordinary skill in the art at the time of the invention to modify Wiseman to add to receive on a passive side of a market the order for the item; and in which the trading command comprises at least one of a command to trade all of the passive side of the market, a hit command to trade down to a first price, and a lift command to trade up to a second price in order to support a variety of trades and draw more trading customers.

#### **(10) Response to Argument**

The appellant addresses **Wiseman in view of Menzl** as follows.

The appellant addresses a **first** group of claims 38, 41, 45-47, 50-54 and 56-57.

Under a. on page 15 of the Appeal Brief, the appellant argues that the action has no showing that the cited references disclose “make the order available ... for at least a predetermined period of time...” as recited by claim 38.

Wiseman discloses in Fig 5 making an order (proposal) available to at least a second participant (counterparty) for at least a predetermined period of time (proposal stage-col 19 lines 40-53) such that the second participant (counterparty) has the ability to trade against the order (proposal). During the

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proposal stage the order is available to at least a second participant for at least a period of time such that the second participant has the ability to trade against the order. In addition, Menzl teaches making an order (offer) available to at least a second participant for at least a predetermined period of time (90 days).

The appellant argues on page 16 of the Appeal Brief that Menzl's disclosure of a penalty (forfeiture of guarantee) for cancelling somehow invalidates the teaching of making the orders available. An option to cancel preserves the ability to trade for the remaining orders. Menzl's penalty does not prevent trading for remaining orders not cancelled, thus there is no teaching away from an order being available to at least a second participant for at least a predetermined period of time.

Under b. on page 17, the appellant argues that there is no support for the motivation to combine and modify Wiseman with Menzl.

In *KSR Int'l Co. v. Teleflex, Inc.*, No. 04-1350 (U.S. Apr. 30, 2007) the Supreme Court warned against the rigid use of a test for "teaching, suggestion or motivation," and said that the operative question is whether the improvement is more than the predictable use of prior art elements according to their established functions. A reference for a motivation is not a requirement to show obviousness.

Here Wiseman teaches the limitations except for the timing expressed in the word "after". Wiseman teaches a system with a period where cancellation is implemented, followed by a period where cancellation is not implemented. Menzl

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is relied upon to teach that it was old and well-known to have the reverse order: a period where orders are available for trading, followed by a period where cancellations are allowed. Menzl discloses an offer evaluation period during which bidders are bound with their offers. When the period is over, bidders are no longer bound with their offers, thus are free to cancel. The improvement is a simple change in the order of the periods, and would be well within the ability of a person of ordinary skill in the art to implement, with predictable results and a reasonable expectation of success. Thus the improvement is no more than the predictable use of prior art elements according to their established functions.

Under c. on page 19, the appellant argues that there is no showing that the cited references disclose “determine that the command to cancel is received after the predetermined period of time...” as recited by claim 38.

Wiseman discloses a command to cancel is received in col 19 lines 36-50. Wiseman teaches a predetermined period of time (proposal stage) in col 19 lines 40-53. Wiseman teaches determining ... after the predetermined period of time in col 30 lines 25-40 (the color change indicates a new stage after the proposal stage; the system must determine that it is after the proposal stage in order to change the color.) Thus Wiseman discloses that the system determines when the cancel command is received, either cancels or not cancels the order based on when the order was received, and the same system also determines when it is after the predetermined period of time.

Here Wiseman teaches the limitations except for the timing expressed in the word “after”. Wiseman teaches a system with a period where cancellation is implemented, followed by a period where cancellation is not implemented. Menzl is relied upon to teach that it was old and well-known to use the reverse order. It would have been obvious to a person of ordinary skill in the art at the time of the invention to modify Wiseman in view of Menzl to rearrange the elements to get determine that the command to cancel is received after the predetermined period of time. The combination of references discloses the claimed language.

The appellant argues on page 23 that the reference does not teach that the system determines whether it is in a proposal stage or not. The system has to determine its current stage to correctly display the color col 30 lines 25-40. Thus the reference discloses that the system determines when it is after the predetermined period of time.

The appellant argues that the reference does not teach that the system will not cancel the order based at least in part on determining that the command to cancel is received during the proposal stage. Wiseman discloses in col 19 that the system determines that the command to cancel is received during the predetermined period of time and does not cancel the order (the cancel command is inoperable in the proposal stage).

The appellant argues on page 24 that Wiseman teaches away from a modification that would follow the proposal stage with a period where cancellation is implemented, because after the proposal stage is the logging and

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confirmation stage. This argument does not address the correct modification. Menzl's rules prevent cancellation (albeit imperfectly) during the evaluation period. This suggests that cancellation is allowed after the evaluation period before the completion of the transaction. The proposed modification to Wiseman would allow cancellation in the latter part of the proposal stage before the completion of the transaction. For example, Wiseman does not address whether a proposal would "time out;" what happens to a proposal that cannot be cancelled if the communications channel is disrupted? It would have been obvious to a person of ordinary skill in the art at the time of the invention to modify Wiseman to follow a period where a cancel command does not cancel the order with a period where a cancel command does cancel the order because this allows a party to terminate a stalled transaction.

Under d. on page 25, the appellant argues that there is no showing that the cited references disclose "not cancel the order ..." as recited by claim 38. Wiseman discloses in col 19 a cancel command that does not cancel the order (the cancel is inoperative in the proposal stage).

The appellant argues that not cancelling an order is not an omission of an element and thus *In Re Karlson* does not apply. This is moot because Wiseman teaches an inoperative cancel command in col 19, thus suggesting not cancelling an order.

The appellant addresses a **second** group of claims 58-59 and 62-66.

Under a. on page 26, the appellant argues that there is no showing that the cited references disclose “make the order available ... for at least a predetermined period of time...” as recited by claim 58.

This argument has been addressed above, in answer to a. on page 15.

Under b. on page 27, the appellant repeats that there is no support for the motivation to combine and modify Wiseman with Menzl.

In *KSR Int’l Co. v. Teleflex, Inc.*, No. 04-1350 (U.S. Apr. 30, 2007) the Supreme Court warned against the rigid use of a test for “teaching, suggestion or motivation,” and said that the operative question is whether the improvement is more than the predictable use of prior art elements according to their established functions. A reference for a motivation is not a requirement to show obviousness.

Under c. on page 28, the appellant argues that the limitations “in response to the command to cancel...” as recited by claim 58, are ignored.

This argument has been addressed above in answer to c. on page 19.

Under d. on page 30, the appellant argues that there is no showing that the cited references disclose “not cancel the order ...” as recited by claim 58.

This argument is addressed above, in answer to d. on page 25.

The appellant addresses a **third** group of claims 67-68 and 71-75

Under a. on page 30, the appellant argues that there is no showing that the cited references disclose “make the order available ... for at least a predetermined period of time...” as recited by claim 67.

This argument has been addressed above, in answer to a. on page 15.

Under b. on page 31, the appellant repeats that there is no support for the motivation to combine and modify Wiseman with Menzl.

In *KSR Int’l Co. v. Teleflex, Inc.*, No. 04-1350 (U.S. Apr. 30, 2007) the Supreme Court warned against the rigid use of a test for “teaching, suggestion or motivation,” and said that the operative question is whether the improvement is more than the predictable use of prior art elements according to their established functions. A reference for a motivation is not a requirement to show obviousness.

Under c. on page 31, the appellant argues the limitations “in response to the command to cancel...” as recited by claim 67, are ignored.

This argument has been addressed above in answer to c. on page 19.

Under d. on page 33, the appellant argues that there is no showing that the cited references disclose “not cancel the order ...” as recited by claim 67.

This argument is addressed above, in answer to d. on page 25.

The appellant addresses **Wiseman and Menzl in view of Bay** as follows.

The appellant addresses a **fourth** group of claims 51, 53, 63, 65, 72 and 74.

Under a. on page 34, the appellant argues that there is no showing that the cited references disclose all the limitations of the claims. Specifically, the appellant quotes from claim 51: “access, based at least on the item, at least one parameter, in which the at least one parameter comprises a setting for the predetermined period of time”.

Wiseman discloses in col 2 lines 30-37 a system that accesses at least one parameter that comprises a setting for a predetermined period of time (a profile that holds a setting for a maximum transactional amount which applies during the predetermined period of time). Thus using a parameter is a known technique. In addition, Menzl teaches a fixed duration predetermined period of time of 90 days. It would have been obvious to a person of ordinary skill in the art at the time of the invention to use the known technique, with predictable results and a reasonable expectation of success, to result in a system that accesses at least one parameter that comprises a setting for the predetermined period of time. Wiseman does not teach that the parameter may vary based on the item. Bay discloses “based on the item” by teaching that the timing of trading varies greatly based on the item. Thus Wiseman in view of Menzl in view of Bay discloses the limitations claimed.



Under b. on page 36, the appellant argues that there is no support for the motivation to combine and modify Wiseman with Bay. The rejection is actually based on Wiseman in view of Menzl in view of Bay. In *KSR Int'l Co. v. Teleflex, Inc.*, No. 04-1350 (U.S. Apr. 30, 2007) the Supreme Court warned against the rigid use of a test for “teaching, suggestion or motivation,” and said that the operative question is whether the improvement is more than the predictable use of prior art elements according to their established functions. A reference for a motivation is not a requirement to show obviousness.

The appellant addresses a **fifth** group of claims 54, 66 and 75

Under a. on page 37, the appellant argues that there is no showing that the cited references disclose the limitations of the claims. Specifically, the appellant quotes from claim 54:

receive from a first participant an order for an item;

make the order available to at least a second participant for at least a predetermined period of time such that the second participant has the ability to trade against the order during at least the predetermined period of time; ...

receive a second order for a second item; ...

make the second order available to at least another participant for at least a second predetermined period of time such that the another participant has the ability to trade against the second order during at least the second predetermined period of time;

in which the predetermined period of time for the item is different from the second predetermined period of time for the second item.

Wiseman discloses a second order for a second item in col 23 lines 20-35. Since Wiseman discloses the claimed steps for a first order, and Wiseman discloses a second order, it would have been obvious to follow the steps for the second order. Wiseman's proposal stage is predetermined by start event and end event, but is not a fixed length and would not be the same length of time for each trade. A person of ordinary skill in the art would expect that the predetermined period of time is different for the second item in Wiseman's system. Thus the limitations are disclosed.

The appellant addresses **Wiseman and Menzl in view of Official Notice** as follows.

The appellant addresses, as a **sixth** group, claim 47.

Under a. on page 39, the appellant argues that Officially-noted subject matter cannot be used as the basis for a rejection. The MPEP 2144.02 Procedure for Relying on Common Knowledge or Taking Official Notice states that rejections can rely on official notice of facts without supporting documentary evidence.

Under b. on page 40, the appellant argues that there is no support for the motivation to combine and modify Wiseman with officially noted subject matter. In *KSR Int'l Co. v. Teleflex, Inc.*, No. 04-1350 (U.S. Apr. 30, 2007) the Supreme Court warned against the rigid use of a test for "teaching, suggestion or

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motivation,” and said that the operative question is whether the improvement is more than the predictable use of prior art elements according to their established functions. A reference for a motivation is not a requirement to show obviousness.

**(11) Related Proceeding(s) Appendix**

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner’s answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

Anne Loftus/AL/

Conferees:

/Alexander Kalinowski/

Supervisory Patent Examiner, Art Unit 3691

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Appeals Conference Specialist

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